

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

IN THE MATTER OF THE ) CIVIL NO.: CV05-00037 HG BMK  
COMPLAINT OF BLUE DOLPHIN ) (Consolidated)  
CHARTERS, LTD., AND TERRY )  
DONNELLY, AS OWNERS OF THE )  
VESSEL M/V BLUE DOLPHIN, O/N )  
1082213, FOR EXONERATION )  
FROM AND/OR LIMITATION OF )  
LIABILITY, )  
\_\_\_\_\_ )

MATTHEW ISHAM, individually and ) CIVIL NO. 04-00559 HG-BMK  
as Guardian Ad Litem for HAYDEN )  
ISHAM, a minor; ROXANNE BEST )  
ISHAM, )  
\_\_\_\_\_ )

Plaintiffs, )  
\_\_\_\_\_ )

vs. )  
\_\_\_\_\_ )

BLUE DOLPHIN CHARTERS, LTD. )  
And BLUE DOLPHIN DIVING, )  
LTD., CAPTAIN ANDY'S SAILING, )  
INC., DOES 1-50, )  
\_\_\_\_\_ )

Defendants. )  
\_\_\_\_\_ )

DENNIS CLAYPOOL, SHERYL ) CIVIL NO. 04-00570 HG-KSC  
CLAYPOOL, individually and as )  
Guardian ad Litem for KRISTEN )  
CLAYPOOL, a minor, SCOTT ) DECLARATION OF JONATHAN H.  
CLAYPOOL, AND KRISTEN ) STEINER  
CLAYPOOL, )  
\_\_\_\_\_ )

Plaintiffs, )  
\_\_\_\_\_ )

vs. )  
\_\_\_\_\_ )

CAPTAIN ANDY'S SAILING INC., )  
BLUE DOLPHIN CHARTERS, LTD. )  
AND BLUE DOLPHIN DIVING, )  
LTD. )  
 )  
Defendants. )  
 )

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DECLARATION OF JONATHAN H. STEINER

I, JONATHAN H. STEINER, hereby declare that:

1. I am licensed to practice law in all courts of the State of Hawaii.
2. I am an attorney with the law firm of McCorriston Miller Mukai MacKinnon LLP, counsel for Interested Party Lexington Insurance Company ("Lexington") in the above-referenced matter. The facts set forth in this declaration are on personal knowledge unless otherwise stated.
3. Attached hereto as Exhibit "A" is a true and correct copy of Lexington policy no. 1323464.
4. Attached hereto as Exhibit "B" is a true and correct copy of Lexington Certificate of Insurance no. 503737.
5. Attached hereto as Exhibit "C" is a true and correct copy of Lexington Certificate of Insurance no. 505807.
6. Attached hereto as Exhibit "D" is a true and correct copy of the Bond Under Rule F of the Supplemental Rules for Certain Admiralty and Maritime Claims, filed on January 21, 2005.

7. Attached hereto as Exhibit "E" is a true and correct copy of letter dated June 17, 2005 to Jonathan H. Steiner from Robert F. Miller.

8. Attached hereto as Exhibit "F" is a true and correct copy of letter dated June 20, 2005 to Robert F. Miller from Jonathan H. Steiner.

9. Attached hereto as Exhibit "G" is a true and correct copy of letter dated November 28, 2005 to Robert F. Miller from Jonathan H. Steiner.

10. Attached hereto as Exhibit "H" is a true and correct copy of the Declaration of Cheryl Peterson, which was filed herein on January 20, 2006, in support of Interested Party Lexington Insurance Company's Reply Memorandum in Support of its Motion for Authority to Withdraw Limitation Bond Upon Settlement of All Insured Claims.

11. Attached hereto as Exhibit "I" is a true and correct copy of the Notice of Acceptance of Blue Dolphin Charters, Ltd.'s Offer to Allow Money Judgment to be Taken Against Limitation Plaintiff/Defendant Blue Dolphin Charters, Ltd., in Favor of the Claypool Plaintiffs Pursuant to Rule 68 of the Federal Rules of Civil Procedure, filed on February 6, 2006.

12. Attached hereto as Exhibit "J" is a true and correct copy of the Offer to Allow Money Judgment to be Taken Against Limitation Plaintiff/Defendant Blue Dolphin Charters, Ltd., in Favor of Matthew Isham, Individually Under Fed. Rule Civ. P. 68, filed on February 17, 2006.

13. Attached hereto as Exhibit "K" is a true and correct copy of the Amended Offer to Allow Money Judgment to be Taken Against Limitation Plaintiff/Defendant Blue Dolphin Charters, Ltd. and Terry Donnelly in Favor of Matthew Isham, Individually Under Fed. Rule Civ. P. 68, filed on February 17, 2006.

14. Attached hereto as Exhibit "L" is a true and correct copy of the Notice of Acceptance of Blue Dolphin Charter Ltd and Terry Donnelly's Amended Offer to Allow Money Judgment to be Taken Against Limitation Plaintiff/Defendant Blue Dolphin Charters, Ltd. and Limitation Plaintiff Terry Donnelly in Favor of Plaintiff/Limitation Claimant Matthew Isham, Individually Pursuant to Rule 68 of the Federal Rules of Civil Procedure, filed on February 21, 2006.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: Honolulu, Hawaii, March 30, 2006.

/s/ Jonathan H. Steiner  
JONATHAN H. STEINER

Attorney for Interested Party  
LEXINGTON INSURANCE COMPANY